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Testimony of the
Connecticut ENT Society
Connecticut Urology Society
Connecticut Society of Eye Physicians
Connecticut Dermatology and Dermatologic Surgery Society

In SUPPORT of

S.B. No. 11 (COMM) AN ACT CONCERNING THE RATE APPROVAL PROCESS FOR HEALTH INSURANCE POLICIES

To the Insurance and Real Estate Committee

On February 17, 2011

More than 1200 Connecticut physicians represented by the above societies would like to express their support of SB 11 An Act Concerning the Rate Approval Process for Health Insurance Policies to the Insurance and Real Estate Committee.

We would like to thank this committee for again raising a bill for public hearing that physicians believe is long overdue, a bill that will bring more transparency to healthcare by providing insight into the process and rationale that managed care organizations use to support their requests to increase consumer premiums. Physicians, the engines that drive the delivery of healthcare to the citizens of Connecticut, are perplexed and dismayed when they see payment rates for medical care by physicians and hospitals go down year after year while their expenses go up and MCO profits steadily increase. In addition to this untenable situation, patients' co-payments, deductibles, and premiums also continue to rise. How this combination of events is justified is an accounting mystery, even to those most intimately involved with our healthcare system. Physicians also suffer on the expense side of this issue, as small businessmen who must annually shoulder drastic and often exorbitant premium rate increases to provide insurance with ever-decreasing coverage for their employees as well as our families.

The bottom line is that we strongly support any legislation that will allow Americans to get better quality care, with fewer errors, for a justifiable premium price. The Honorable Alex M. Azar II, an administrative spokesperson during the last administration, reported that Americans then spent about \$1.9 trillion on health care annually, 16 percent of our GDP, and health care spending continues to grow at a rate that poses increasing challenges to the rest of our economy, particularly as we struggle through the worst economic downturn in our lives. Healthcare costs are growing more rapidly than the general rate of inflation and three times faster than wages, and it is projected that if this trend continues, by 2015, we will be spending as much as 20 percent of our GDP on health care, and most worrisome of all is that this is increasingly for reasons that are not intrinsically related to the value delivered by the system. Clearly, we need solutions for this escalating problem, but solutions will be impossible unless we are given the critical information from the managed care industry on medical loss ratios. Connecticut should also mandate clarity on why insurers feel that their continued increases in premiums are justifiable in the face of their ongoing efforts to decrease spending on patients' medical expenses and to increase their profits. Connecticut's patients, employers, and citizens need transparency regarding insurer policies, and the only way to achieve this end is to pass legislation that provides a process for evaluating their data in a meaningful and unbiased way.

We physicians thank you for your consideration of such an important bill, and we hope you will continue to support legislation that leads to true transparency in the healthcare industry.